

**RHODE ISLAND  
DEVELOPMENTAL DISABILITIES COUNCIL  
PERFORMANCE AUDIT  
APRIL 2004**

**DEPARTMENT OF ADMINISTRATION  
BUREAU OF AUDITS  
ONE CAPITOL HILL  
PROVIDENCE, RI 02908-5889**



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration  
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RHODE ISLAND DEVELOPMENTAL DISABILITIES COUNCIL  
PERFORMANCE AUDIT

**EXECUTIVE SUMMARY**

Our performance audit of the Rhode Island Developmental Disabilities Council (the Council) has revealed that their overall operating practices and procedures for programs are consistent with their stated goals and objectives. However, several practices and procedures could be strengthened to improve their operating efficiency.

The Council should incorporate a more formal process for determining the status of their contracts. Currently, contractors make oral presentations to the appropriate committees and biannually submit to the Council a memorandum listing their accomplishments. Also, there is no linkage in the billings submitted by consultants to the completion of objectives based on the approved work plans, time frames, and expenditure reports. Reports and billings including better supporting documentation based on progress toward goals and objectives would enhance monitoring and reporting by the Council.

The Council functions through the combined efforts of various state and local agencies and non-governmental organizations. This dependency on other organizations has contributed to difficulties with financial management and meeting reporting requirements. The Council needs to ensure that the necessary financial resources are in place to adequately support their programs and that all state and federal financial and reporting requirements are met.

RHODE ISLAND DEVELOPMENTAL DISABILITIES COUNCIL  
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April 21, 2004

Ms. Marie Citrone, Executive Director  
Rhode Island Developmental Disabilities Council  
400 Bald Hill Road, Suite 515  
Warwick, RI 02886

Dear Ms. Citrone:

We have completed a performance audit of the Rhode Island Developmental Disabilities Council. Our audit was conducted in accordance with Sections 35-7-3 and 35-7-4 of the Rhode Island General Laws.

The findings and recommendations included herein have been discussed with management and we have considered their comments in the preparation of this report. Management's responses to our recommendations are included in this report.

In accordance with Section 35-7-4 of the General Laws, we will review the status of the Developmental Disabilities Council's corrective action plan within 6 months from the date of issue of this report.

Sincerely,

Frank J. Collaro, Jr., CFE, CGFM  
Acting Chief, Bureau of Audits

FJC:pp

pc: Christine Singleton, Chairperson, R.I. Developmental Disabilities Council

RHODE ISLAND DEVELOPMENTAL DISABILITIES COUNCIL  
PERFORMANCE AUDIT

**INTRODUCTION**

**Objectives, Scope, and Methodology**

We have conducted a performance audit of the Rhode Island Developmental Disabilities Council (the Council) for the fiscal years ended June 30, 2002 and 2003 and period July 1, 2003 to September 23, 2003. Our objectives were to evaluate the adequacy and effectiveness of managerial controls, the economy of resources, and compliance with significant laws and regulations applicable to their programs. The purpose of our objectives was to identify practices and procedures that could be improved or made more efficient. Our audit was performed in accordance with the *Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditing.

To achieve our objectives, we obtained an understanding of the Council's organizational structure and procedures to ascertain whether the results were consistent with the goals and objectives of their programs and were carried out as planned. We also reviewed the reliability and integrity of financial and operating information. We interviewed responsible personnel and performed tests of the accounting records and other such auditing procedures as we considered necessary in the circumstances.

The findings and recommendations included herein have been discussed with management and we have considered their comments in the preparation of our report. Section 35-7-4 (c) of the Rhode Island General Laws requires the auditee to respond within 60 days to all recommendations in this report. Management's responses to our recommendations are included in this report.

**Background**

In 1971 RIGL 40.1-1 established the Developmental Disabilities Council. The Council, a 24-member body appointed by the Governor, is a federally-mandated program and is the official planning and advisory body in Rhode Island created to promote and increase opportunities and alternatives for individuals with developmental disabilities and their families. At least 60 percent of the membership includes individuals with developmental disabilities, their relatives or guardians. The remaining membership includes representatives of principle state, private, and local agencies.

The overall purpose of the Council is to advocate that persons with developmental disabilities have access to an array of services that will enable them to reach their maximum potential, thereby becoming independent, productive, integrated, and included in their community.

The Council accomplishes its mission through planning and coordinating activities and through monitoring and evaluating current services in order to obtain a broad perspective of the available services in Rhode Island. These activities assist the Council in determining where to focus its efforts in improving the service system.

Since 1989 the Council has been the Designated State Agency (DSA) and functions through the combined efforts and participation of related state and local agencies, non-governmental organizations, and consumers of services. Its diverse representation enhances the Council's ability to influence changes in policies, priorities, and methods of operation of service programs and agencies in order to improve services. Fiscal resources are provided by Federal Basic State grant dollars administered by the Department of Health and Human Services, Administration on Developmental Disabilities.

Following are some of the significant objectives of the Council:

- Develop and initiate methods to identify needs and to analyze/evaluate the effectiveness and efficiency of the service system for persons with developmental disabilities and their families;
- Develop policy/program design recommendations based on needs assessment information and service system analyses/evaluation;
- Develop and implement public education activities that illustrate and promote valued social roles for persons with developmental disabilities;
- Provide human rights training, employment training, leadership training, and educational opportunities for persons with disabilities and their families in order to become effective advocates, influencing public policy at the state and national level;
- Promote paid work opportunities with appropriate support within community businesses and organizations to reduce reliance on segregated vocational options; and
- Develop opportunities for inclusion and interdependent relationships between people with disabilities and their neighbors, co-workers, and schoolmates to reduce social isolation.

The Council performs its duties and responsibilities with a staff of two full-time employees and the contracted services of several consultants.

RHODE ISLAND DEVELOPMENTAL DISABILITIES COUNCIL  
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**FINDINGS AND RECOMMENDATIONS**

**Monitoring Program Results**

Federal Public Law 106-402 Section 125 (c)(7) requires the Rhode Island Developmental Disabilities Council (the Council) to file reports detailing its progress towards achieving the goals and objectives of their 5-year State Plan. The Council uses the services of several consultants to help achieve many of the goals and objectives of its plan. The contracts require the consultants to periodically meet with the appropriate committees to update them on the status of their contracted goals and objectives. The consultants are also required to submit biannual written reports on their achievements.

We reviewed committee meeting minutes and written reports submitted by the consultants. The meeting minutes offered few details concerning specific progress toward any goals and objectives. The written reports were generally in memo format and though they were more detailed, it was often difficult to determine the status of specific goals and objectives. We also reviewed billings from consultants that were approved for payment by Council staff that only showed dollar amounts by line item but no additional documentation or linkage to goals, objectives, or approved work plans. The general program assurances of all the contracts state that the Council will reimburse consultants upon successful completion of objectives/products based on the approved work plan and time frames stated in the contracts.

The Council is responsible for monitoring these contracts to ensure consultant conformance with terms, conditions, and specifications. The Council is also responsible for ensuring compliance with federal requirements that performance goals are being met and that costs are allowable.

The Council could better meet these requirements and enhance their monitoring by requiring the consultants to submit reports and billings in prescribed formats that will show the actual progress based on the approved work plans. These documents will enable the Council to monitor progress towards achieving specific goals and objectives as well as providing accountability of the costs associated with the progress reports.

**Recommendation**

1. The Council should develop a prescribed format for progress reports and monthly billings to be utilized by their consultants.

**Management's Response:** Accepted

## **Financial Management and Reporting**

During our audit the Council experienced difficulties with financial management, including not meeting state and federal reporting requirements. Reports not submitted included federal grant reports, state grants information schedules, and the State Financial Integrity and Accountability Report. This was primarily due to the Department of Mental Health Retardation and Hospitals (MHRH) inability to provide the services of a senior rate analyst as agreed to in a Memorandum of Understanding with the Council. And, the Council was without clerical services as provided through one of its contracts.

During the course of our audit the Council was able to secure clerical help and the services of the MHRH senior rate analyst became available again. The Council has informed us that all outstanding requirements will be met. While the Council functions through the combined efforts of various state agencies, local agencies, and non-governmental organizations, the responsibility to ensure that all federal and state requirements are met rests with the Council.

### **Recommendations**

2. Ensure that state and federal reporting requirements are met on a timely basis.

**Management's Response:** Partially Accepted

3. Ensure that the necessary resources are in place to provide financial management and services to adequately support the program.

**Management's Response:** Not Accepted





R H O D E I S L A N D D E V E L O P M E N T A L D I S A B I L I T I E S C O U N C I L

Mr. Frank J. Collaro, Jr.  
Acting Chief, Bureau of Audits  
Department of Administration  
One Capitol Hill  
Providence, R.I. 02908-5889

DATE: April 1, 2004

RE: Rhode Island Developmental Disabilities Council  
Performance Audit, February 2004

PERIOD AUDITED: Fiscal years ended June 30, 2002 and 2003

CONTACT: Marie Citrone, Executive Director  
737-1238

**COUNCIL'S RESPONSES:**

RECOMMENDATION #1: The council should develop a prescribed format for progress reports and monthly billings to be utilized by their consultants.

RESPONSE: Accepted. A standardized form was developed and mailed to all Council grantees on September 30, 2003. All grantees are required to complete this form quarterly. The overall goals and objectives are listed in a standard format. Grantees are required to provide a written response for each goal and objective, and to provide detail on the products or services rendered during the quarter. This reporting requirement is in addition to grantees continuing to report to the committee overseeing their project, and reporting to the full council as requested. The Grantee Quarterly Report Form is attached.

RECOMMENDATION #2: Ensure that state and federal reporting requirements are met on a timely basis.

RESPONSE: Partially accepted. The goal of meeting reporting requirements is accepted. The degree to which the goal can be met is largely dependent on the availability of the fiscal support services specified in the Memorandum of Understanding, which the Council has with the Department of Mental Health, Retardation and

Hospitals. These services, including services of a senior rate analyst, are called for in the Memorandum, however, whether MHRH meets its obligation in providing these services is not within the Council's control. In fact, when the Council was notified of the pending medical leave of the senior rate analyst (see attached memo) and that in the interim MHRH was unable to continue to provide these fiscal support services, it did respond responsibly. The Council dedicated limited financial resources to hire an individual to assist in meeting some of the state and federal report requirements. The auditor onsite was aware of this action, but neglected to mention it as a temporary positive solution to this situation.

RECOMMENDATION #3: Ensure that the necessary resources are in place to provide financial management and services to adequately support the program.

RESPONSE: Not accepted. The importance of having the necessary resources for financial management and services is accepted. It is not, however, within the Council's power to "ensure" their existence, since that is dependent upon the degree to which MHRH meets its commitment within the Memorandum of Understanding.

**GRANTEE QUARTERLY REPORT FORM**

**FOURTH QUARTER 2003**

**Request for Contract Update**



**RHODE ISLAND  
DEVELOPMENTAL  
DISABILITIES  
COUNCIL**

GRANTEE:

PURPOSE:

FED. FISCAL YEAR:

CONTRACT DATES:

PERFORMANCE PERIOD:

**Please use the following format to provide an update on objectives.**

**\*Attach a separate sheet of paper for update.**

GOAL #1:

GOAL #2:

GOAL #3:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



State of Rhode Island

Department of MHRH  
Division of Financial Management

## INTEROFFICE MEMORANDUM

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TO: Marie V. Citrone, Executive Director, D.D. Council  
FROM: Jacquelyne S. Lozowski, Senior Rate Analyst  
DATE: January 2, 2003  
SUBJECT: Upcoming surgery and absence from work

This memo is to inform you about my upcoming surgery. I am scheduled to have total hip replacement surgery on February 24, 2003. Due to the fact that I will be receiving an uncemented prosthesis, I may be absent from work for at least 3 months, if there are no complications. After the 3 months, I may have the other hip replaced.

I have already brought this to Steve Pastore's attention. Please be advised that there will not be anyone in the Department of MHRH who will be able to completely cover my work during my absence. Steve has informed me that he has briefly spoken to Mike Manosh and the only thing he may be able to do for the Council, is draw down the necessary funds for expenditures incurred after he receives the necessary information from you regarding expenditures.

At this time it will be your office's responsibility to submit the SF269 Federal Report and the PSC272 Federal Report that will be due after the period ending March 31, 2003. Please keep in mind that it will also be your office's responsibility to see that the day-to-day work is maintained and unless day-to-day and month-to-month worksheets are kept up to date, it will be impossible even for a person who has knowledge in this area of work to prepare these reports.

Please make the necessary arrangements regarding this matter and let me know how this will be addressed at your earliest convenience.

cc: Mr. Michel Manosh  
Mr. Steven Pastore